

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 150 (MC2016-11)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2016-12

**USPS NOTICE OF AMENDMENT TO PRIORITY MAIL CONTRACT 150
AND MOTION FOR TEMPORARY RELIEF**
(October 25, 2019)

The Postal Service hereby provides notice that the terms of Priority Mail Contract 150, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 150 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one day following the day that the Commission completes its review.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

The Postal Service acknowledges that it is filing this amendment, which is substantive and includes supporting financial documentation, fewer than fifteen days prior to the contract's expiration. The Postal Service is therefore also filing today, under separate cover, an additional amendment that simply extends the contract to November 18, 2019, without making any substantive changes that would require financial review.

In accordance with the guidance set forth in Commission Order No. 4866,¹ the Postal Service moves for temporary relief, either in the form of the Commission continuing to list Priority Mail Contract 150 on the Mail Classification Schedule beyond the original expiration date until the Commission completes its review of this amendment, or in the form of the Commission approving the separate extension amendment being filed today, which would keep the contract in effect until the Commission completes its review in this docket. Due to the financial complexity of the changes contained in this amendment, both the Postal Service's negotiations with the customer and the Postal Service's internal financial review took more time than usual, resulting in today's less than timely filing.² The Postal Service submits that no party would be materially prejudiced by the granting of this motion.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

475 L'Enfant Plaza, SW
Washington, D.C. 20260-1137
(202) 268-8405
Sean.C.Robinson@usps.gov
October 25, 2019

¹ Order No. 4866, Docket Nos. CP2017-253, CP2017-259, CP2017-306, and CP2018-4 (Oct. 30, 2018), at 4. ("The Postal Service may also file a motion for temporary relief requesting that the Commission continue to list a contract on the Mail Classification Schedule beyond its original expiration date.")

² The Postal Service also notes that, although the amendment was executed a week ago, the amendment required additional post-execution internal review prior to final Governors approval. That is why it is being filed a week after the parties signed.

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 150

**AMENDMENT #2
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service (“the Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract regarding Priority Mail Service, Contract 150/Docket No. CP2016-12, on October 3, 2015.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.E., III, and add Table A to the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective the later of: (a) one (1) day following the day on which the Commission issues all necessary regulatory approval, or (b) November 4, 2019.

[Replace Sections I.B., I.E., III, in their entirety, and add Table A, as follows:]

I. Terms

- B. This Contract applies to Customer’s Priority Mail weight-based packages that weigh up to [REDACTED] and Customer’s Priority Mail Commercial Plus Cubic packages that do not exceed [REDACTED] all of which may be subject to one or more the following conditions (collectively, “Contract Packages”):

1. That are not addressed to any ZIP Code in Table A;
2. That are addressed to any ZIP Code in Table A;
3. The origin of the package is from a ZIP Code listed in Table A; and/or
4. The package is destined to a ZIP Code listed in Table A.

[REDACTED]

The ZIP Codes listed in Table A may be modified by the Parties from time to time by written mutual agreement.

E. The following prices apply to Customer's Contract Packages as described in Section I.B above, from this Contract's effective date, as provided in Section III, until the first anniversary of this Contract's effective date (after which the prices for Contract Packages will be adjusted as set forth in Section II), except that for any Contract Packages originating from or destined to the ZIP Codes listed in Table A, those packages will receive the prevailing Priority Mail Commercial Plus prices throughout the term of this Contract.

III. Expiration Date and Termination

This Contract shall expire on February 1, 2020 unless (1) terminated by either Party without penalty with thirty (30) calendar days' notice to the other Party in writing (except that the Postal Service may not terminate this Contract without cause with an effective termination date during the period October 1 through January 15 (and any such termination during such period will be suspended until the next January 16)); (2) renewed by mutual agreement in writing; (3) superseded by a subsequent contract between the Parties; (4) ordered by the Commission or a court; or (5) required to comply with subsequently enacted legislation.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

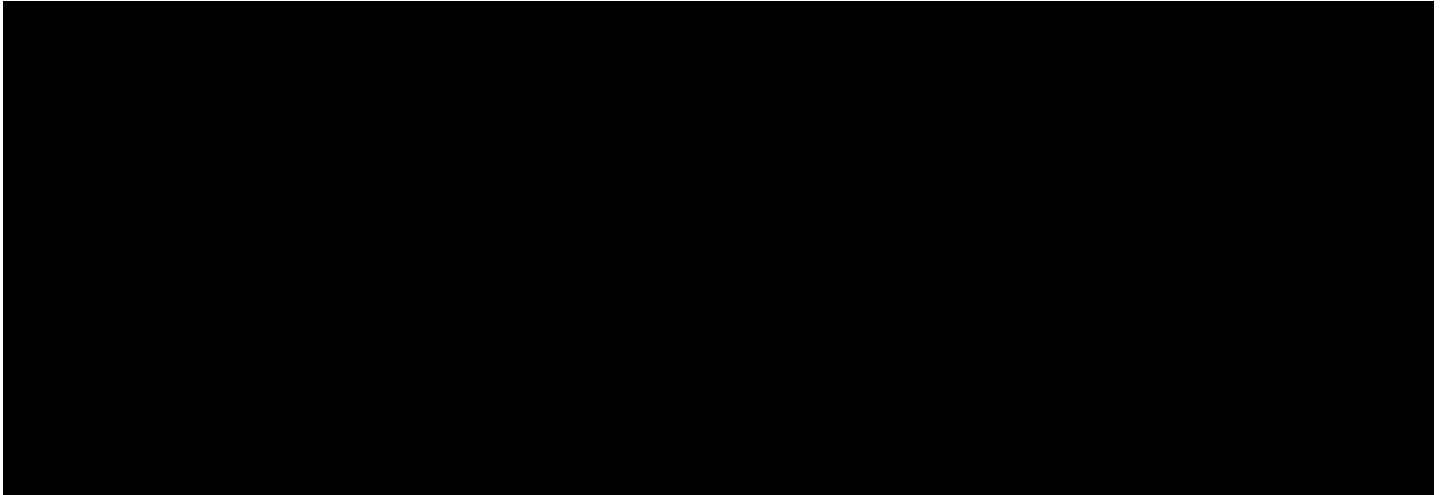
UNITED STATES POSTAL SERVICE

Signed DocuSigned by: Sharon Owens 8D28D0EF23544C7...

Printed Name: Sharon Owens

Title: Vice President Sales

Date: October 17, 2019



ATTACHMENT B
SIGNED CERTIFICATION

Certification of Prices for Amendment to Priority Mail Contract 150

I, Nan K. McKenzie, Manager, Pricing Innovation, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 150. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Nan K. McKenzie

Digitally signed by Nan K. McKenzie
DN: cn=Nan K. McKenzie, o, ou=Manager,
Pricing Innovation,
email=nan.k.mckenzie@usps.gov, c=US
Date: 2019.10.24 16:24:09 -04'00'

Nan K. McKenzie